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湖州燃气 HUZHOU GAS

湖州燃氣股份有限公司

Huzhou Gas Co., Ltd.*

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 06661)

CONTINUING CONNECTED TRANSACTION

COOPERATION FRAMEWORK AGREEMENT WITH CITY GROUP

Reference is made to the Company's announcement dated 12 September 2023, which relates to, among other things, the 2023-2025 Supply Framework Agreement entered into between the Company and City Group.

As the 2023-2025 Supply Framework Agreement will expire on 31 December 2025, on 19 November 2025, the Company entered into the Cooperation Framework Agreement with City Group, pursuant to which, the Group agreed to sell to City Group, and City Group agreed to purchase from the Group, certain goods and services for the term from 1 January 2026 to 31 December 2028.

COOPERATION FRAMEWORK AGREEMENT

The principal terms of the Cooperation Framework Agreement are as follows:

Date	19 November 2025
Parties	(1) the Company (as the seller); and (2) City Group (as the buyer)
Term	1 January 2026 to 31 December 2028
Nature of transaction	The Group shall sell, and City Group shall purchase from the Group, certain goods and services, including: safety and protection products, gas appliances, household appliances, sale of air energy, gas facilities maintenance within the red line, kitchen cleaning and insurance services and others.
Pricing basis	1. Government-prescribed prices/government indicating price (if applicable).

2. Market price: If independent third parties provide the same or similar goods and services on normal commercial terms in the ordinary course of business, the pricing shall be based on the prevailing market price; when the management of both parties determine whether the pricing of any goods and services transaction under the Cooperation Framework Agreement constitutes a market price, they shall refer to at least two contemporaneous comparable transactions conducted with independent third parties.

3. Agreed price: Pricing provided based on negotiated prices, product specifications, configurations, competitiveness, and overall market conditions, and in accordance with factors including (but not limited to) volume levels, strategic relationships, and new goods and services introduction strategies, is determined on a fair and reasonable basis. In principle, it shall not deviate from the prices and terms of independent third parties.

Payment terms: The Group and City Group will enter into individual goods and/or services agreements in accordance with the terms and conditions of the Cooperation Framework Agreement and pursuant to the terms mutually agreed by both parties, wherein the detailed payment terms will be agreed upon on the principle of fairness and reasonableness.

HISTORICAL TRANSACTION AMOUNT

For the two years ended 31 December 2023 and 2024 and the six months ended 30 June 2025, the historical transaction amounts generated by the Group and City Group in relation to the 2023-2025 Supply Framework Agreement were approximately RMB1.015 million, RMB0.487 million and RMB0.453 million respectively.

ANNUAL CAP AND ITS BASIS

After considering the following factors, the annual caps for each of the three years ending 31 December 2026, 2027 and 2028 under the Cooperation Framework Agreement are as follows:

	For the year ending 31 December		
	2026	**2027**	**2028**
	RMB		
Annual Cap	20 million	20 million	20 million

The Directors, in determining the annual caps for the Cooperation Framework Agreement, have considered various factors, including: (i) the historical transaction amounts; (ii) the current market prices of comparable goods and services; and (iii) the expected changes in City Group's demand for goods and services based on the completion schedule of properties developed by City Group.

REASONS FOR AND BENEFITS OF ENTERING INTO THE COOPERATION FRAMEWORK AGREEMENT

The Group has historically, from time to time during the ordinary and usual course of business, sold certain goods and services to City Group for its real estate projects. The Group has sold goods and services to City Group during the ordinary and usual course of business primarily because (i) the Group's extensive line of goods and services are able to match the needs of City Group; and (ii) the Group is able to provide City Group with steady and high quality products at a reasonable price. City Group is a relatively influential local enterprise with a wide range of businesses, and cooperation between the two parties will be conducive to mutual development.

INFORMATION IN RELATION TO THE CONTRACTING PARTIES

The Group

The Group is mainly engaged in (i) the sale of natural gas in Huzhou City, mainly including pipeline natural gas (pursuant to the franchise rights) and liquefied natural gas; (ii) the provision of construction and installation services; and (iii) other businesses, including the sale of energy, distributed photovoltaic power, household gas appliances and related equipment, as well as property leasing.

City Group (the controlling Shareholder and the connected person of the Company)

City Group is a state-owned enterprise established in accordance with the laws of the People's Republic of China, mainly engaged in investment in and construction of urban infrastructure in Huzhou City. It is directly and wholly owned by Huzhou Municipal People's Government State-owned Assets Supervision and Administration Commission (a Chinese government authority). As at the date of this announcement, City Group holds approximately 44.13% of the Shares in the Company and is the controlling Shareholder of the Company.

DIRECTORS' VIEWS ON THE CONTINUING CONNECTED TRANSACTION AND INTERNAL CONTROL MEASURES

Directors (including all independent non-executive Directors) consider that the terms of the Cooperation Framework Agreement have been entered into on normal commercial terms, are fair and reasonable, and are in the overall interests of the Company and its Shareholders.

In respect of the Cooperation Framework Agreement, in the implementation of the transaction terms such as the pricing policies and payment methods for the continuing connected transaction, the Group has taken into account the following factors and measures:

1. Prior to entering into any individual agreements, the Company will comply with its internal control procedures

In relation to the Cooperation Framework Agreement, according to the pricing basis, prior to entering into any individual agreements under the Cooperation Framework Agreement, if there is no government-prescribed price or government-indicating price, the Company will actively obtain information about market price through various channels, such as taking into consideration the transaction prices of at least two contemporaneous comparable transactions of the Company with independent third parties during the same period and transactions among independent third parties during the same period, or conducting market price research through various independent industry information sources (such as industry websites). Such price is determined by parties involved on normal commercial terms with reference to afore-mentioned price information.

For goods and/or services with agreed price, for the purpose of ascertaining the connected transaction prices, the seller/supplier will provide a cost list, while the purchaser will compare the comparable average cost of the same type of companies in proximity or the cost of the same type of goods and/or services to determine reasonable cost. For the Company, such price is subject to the approval of the financial management department of the Company. The price of connected transaction, once determined and signed, shall not be changed by either party unilaterally.

2. Details of monitoring by relevant departments of the Company on the implementation of such framework agreements

(1) The legal department of the Company (Manager: Ms. Zheng Jie, one of the joint company secretaries and the manager of the financial management department of the Company) will conduct reviews of the connected transaction contracts, while the legal department conducting relevant transactions will monitor the connected transaction amounts in a timely manner;

(2) The financial management department of the Company (Manager: Ms. Zheng Jie, one of the joint company secretaries and the manager of the legal department of the Company) will implement connected transaction in accordance with the internal control procedures, and review the accounting statements on connected transaction submitted by relevant subsidiaries on a quarterly basis; and

(3) The Board (Chairman: Mr. Wang Hua, an executive Director) and the audit committee of the Board (Chairman: Mr. Chang Li Hsien Leslie, an independent non-executive Director) will review the implementation of the connected transaction on an annual basis, mainly in respect of matters such as: whether the Company and relevant connected parties performed the connected transaction agreement during relevant period; whether the actual transaction amounts incurred are within the annual caps as approved at the general meeting.

3. Duties to be performed by the independent non-executive Directors and independent auditors of the Company in connection with the Cooperation Framework Agreement

(1) The independent non-executive Directors report their performance of duties at general meeting on an annual basis, and particularly express their opinions on whether the continuing connected transaction exceed relevant caps as approved at the general meeting, whether the continuing connected transaction are performed pursuant to the agreements, and whether the continuing connected transaction are fair and reasonable and in the interests of the Shareholders as a whole; and

(2) The independent auditors of the Company will conduct annual audit for each year, express opinions on the implementation of the pricing policies and whether the actual connected transaction amounts incurred are within relevant annual caps for respective year pursuant to the Listing Rules, and issue relevant letter to the Board.

ABSTENTION FROM VOTING ON THE RESOLUTION

As Ms. Sun Xiaohui, an executive Director, and Mr. Wang Peng, a former non-executive Director (who resigned on 14 November 2025), both hold positions in relevant associate companies of City Group, they are considered to have a material interest in the Cooperation Framework Agreement. Therefore, they respectively abstained from voting on the Board resolution concerning the Cooperation Framework Agreement at the Board meeting held on 22 August 2025. Mr. Sun Xiaowei, a non-executive Director (who was appointed on 14 November 2025), also holds a position in a relevant associate company of City Group and did not participate in the voting on the Board resolution regarding the Cooperation Framework Agreement.

Save as disclosed above, none of the Directors has any material interest in the Cooperation Framework Agreement or is required to abstain from voting on the Board resolution to approve the Cooperation Framework Agreement.

LISTING RULES IMPLICATIONS

As at the date of this announcement, City Group is the controlling Shareholder of the Company, holding approximately 44.13% of the Company's issued share capital. Therefore, pursuant to the 14A.07(1) of the Listing Rules, City Group is a connected person of the Company, and the transactions contemplated under the Cooperation Framework Agreement constitute a connected transaction of the Company.

Since one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) for the Cooperation Framework Agreement exceed 0.1% but are less than 5%, the Cooperation Framework Agreement is subject to the requirements of reporting, announcement and annual review under Chapter 14A of the Listing Rules, but are exempted from the independent Shareholders' approval requirements.

"2023-2025 Supply Framework Agreement"	The framework agreement entered into by the Company with City Group dated 12 September 2023, pursuant to which the Group shall supply designated products and services to City Group, and City Group shall purchase the same from The Group, for the term from 12 September 2023 to 31 December 2025
"Board"	the board of directors
"City Group"	Huzhou City Investment and Development Group Co., Ltd.* (湖州市城市投資發展集團有限公司), a state-owned enterprise established under the laws of the PRC, as at the date of this announcement, it is a controlling Shareholder of the Company and, unless the context otherwise requires, includes its subsidiaries
"Company"	Huzhou Gas Co., Ltd.* (湖州燃氣股份有限公司), a company limited by shares incorporated in the PRC, whose H Shares are listed on the Main Board of the Stock Exchange
"Cooperation Framework Agreement"	Cooperation Framework Agreement entered into between the Company and City Group on 19 November 2025, pursuant to which the Group agrees to sell to City Group, and City Group agrees to purchase certain goods and services from the Group
"Directors"	Directors of the Company
"Domestic Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for or paid up in RMB and are currently not listed or traded on any stock exchange
"Group"	collectively referred to as the Company and its subsidiaries from time to time
"H Share(s)"	overseas listed foreign ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and are listed on the Stock Exchange
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

"PRC" or "China"	the People's Republic of China, excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, comprising the Domestic Share(s) and the H Share(s)
"Shareholder(s)"	holder(s) of Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	percentage

By order of the Board
Huzhou Gas Co., Ltd.*
Wang Hua
Chairman

Huzhou City, Zhejiang Province, the PRC
19 November 2025

As at the date of this announcement, the Board comprises Mr. Wang Hua, Mr. Wang Tao and Ms. Sun Xiaohui as executive Directors; Mr. Gong Luojian and Mr. Sun Xiaowei as non-executive Directors; Mr. Chang Li Hsien Leslie, Dr. Lau Suet Chiu Frederic and Mr. Zhou Xinfa as independent non-executive Directors; and Ms. Yao Yanli as employee representative Director.

* *For identification purpose only*